

**Senator Jon S. Corzine's Statement on the Introduction of the  
Youth Financial Education Act  
April 27, 2005**

M. President, I rise today to introduce the *Youth Financial Education Act*. I am pleased to introduce this bill during the month of April—Financial Literacy Month.

M. President, it is hard to underestimate the importance of financial literacy for our youth. As credit, banking, and financial systems in this country become more and more complex, it is time to make sure that our education system teaches our children the fundamental principles of earning, spending, saving and investing, so that they can be successful citizens. Federal Reserve Chairman Alan Greenspan said himself that “Improving basic financial education at the elementary and secondary school levels is essential to providing a foundation for financial literacy that can help prevent younger people from making poor financial decisions.” It is crucial not only for the well-being of our children, but for the future of our society as a whole that all citizens understand how to manage a checking account, use a credit card, and estimate their taxes.

According to the Jump\$tart Coalition for Personal Financial Literacy's Survey of High School Seniors, which measures students' aptitude and ability to manage financial resources such as credit cards, insurance, retirement funds and savings accounts, only 52.3 percent of students answered the survey questions correctly. In less than a year, 54 percent of these students who go onto college will carry a credit card. M. President, these statistics make it evident that we must do more to arm our youth with the tools they need to make informed decisions about the fiscal realities they will face upon entering college or the workforce.

In 2004, only 7 states required students to complete a course that includes personal finance before graduating from high school. In my home state of New Jersey, New Egypt High School is the only school that requires a course in financial education. Several years ago I had the pleasure of teaching a class of these students, and came away impressed with their knowledge and competency in financial matters.

M. President, while awareness of the importance of financial literacy is improving, it is still not being addressed appropriately in schools. Our schools must prepare our children to succeed in every way, including in their financial decisions.

I am pleased that I successfully added a provision to the *No Child Left Behind Act* giving elementary and secondary schools access to funds that will allow them to include financial education as part of their basic educational curriculum. Although this was an important step in the right direction, Congress can and should do more to address this issue.

The legislation I am introducing today will provide grants to states to help them develop and implement financial education programs in elementary and secondary schools. These programs will offer professional development for teachers and prepare

them to provide financial education. It would also establish a national clearinghouse for instructional materials and information regarding model financial education programs.

M. President, earlier this year, the Senate debated the *Bankruptcy Reform Bill* that seeks to change the rules governing bankruptcy. While I agree that bankruptcy reform should provide an incentive for capable individuals to honor their financial obligations, this legislation will make it that much more difficult for people who have fallen into debt to declare bankruptcy. With these reforms imminent, it will be all the more critical to take a proactive approach to the problem of personal debt in this country and make sure that the next generation learns how to better manage their money.

I ask for my colleagues to join me in support of the *Youth Financial Education Act*, which will equip our nation's youth with skills to become responsible consumers and enjoy economic security as well as economic opportunity in their futures.

M. President, I ask unanimous consent that my statement and the bill be included in the Record.